

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7778

BILL NUMBER: HB 2037

DATE PREPARED: Feb 15, 2001

BILL AMENDED: Feb 14, 2001

SUBJECT: Farm Winery Brandy Distiller's Permits.

FISCAL ANALYST: John Parkey

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FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill establishes a farm winery brandy distiller's permit. It allows a holder of a farm winery permit to apply for a brandy distiller's permit. The bill entitles the holder of a farm winery brandy distiller's permit to do the following:

- (1) Manufacture brandy.
- (2) Rectify brandy.
- (3) Bottle brandy.
- (4) Use brandy that it has manufactured for the purpose of producing fortified wine.
- (5) Sell brandy that it has manufactured to other wineries.
- (6) Sell brandy at wholesale or retail.

The bill establishes a \$250 annual license fee for a farm winery brandy distiller's permit.

The bill permits a winery to participate in trade shows or expositions for a combined total of not more than nine days in a calendar year. (Current law limits each of the three permitted events to three days apiece.)

Effective Date: July 1, 2001.

Explanation of State Expenditures: The Alcoholic Beverage Commission may incur a minimal administrative cost associated with implementing this bill. Any such expense is expected to be covered using existing staff and resources.

Explanation of State Revenues: This bill allows holders of farm winery permits to obtain a farm winery brandy distiller's permit, a permit created by this bill. The annual license fee for the permit is \$250.

There are approximately 25 holders of farm winery permits in the state. If the 25 holders of farm winery

permits were to purchase the farm winery brandy distiller's permit, the state General Fund would annually receive \$6,250.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Alcoholic Beverage Commission.

Local Agencies Affected:

Information Sources: Don Okey, Alcoholic Beverage Commission, 232-2463.